

Benefiting You

A reference booklet prepared by the
Indiana State Personnel Benefits Division
regarding benefits available
upon retirement or resignation

Indiana State Personnel Department
Benefits Division
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The Benefits Division of the State Personnel Department contracts for services to provide health, dental, vision and life insurance coverage for employees. As an employee of the State of Indiana you have the option of choosing to participate in one or more of those programs.

As an employee resigning or retiring from state service, there are certain benefit options available to you. Qualified retiring employees may choose to participate in the Early Retiree Insurance Program. COBRA, a federal law, allows resigning/retiring employees and qualified dependents to continue coverage for a specified time by paying 102% of the required premium. The State of Indiana also offers to qualified retirees the Retiree Leave Conversion Program.

This booklet will explain what happens to the benefits you have in place when you leave state service either by resignation or retirement.

Topics:

I. Early Retiree Insurance Program

II. Consolidated Omnibus Reconciliation Act Of 1985 (COBRA)

III. Life Insurance

IV. Retiree Leave Conversion Program

V. Information On How To Apply For These Programs

VI. Additional Coverage

VII. Additional Retirement Resources

VIII. Benefit Contact Information

I. EARLY RETIREE INSURANCE PROGRAM, IC 5-10-8-8

The Early Retiree Insurance Program is available to retiring employees meeting all the requirements outlined below. A qualified retiring employee can choose to participate in this group plan by submitting an application provided by the State Personnel Department within 90 days after the date of his/her retirement. Qualified retirees may continue on this program until Medicare eligibility by paying 100% of the premiums for this coverage.

IC 5-10-8-8 states, in pertinent parts:

- “(a) This section applies only to the state and employees who are not covered by a plan established under section 6 of this chapter.
- (b) After June 30, 1986, the state shall provide a group health insurance plan to each retired employee:
- (1) whose retirement date is:
 - (A) after June 29, 1986, for a retired employee who was a member of the field examiners’ retirement fund;
 - (B) after May 31, 1986, for a retired employee who was a member of the Indiana state teachers’ retirement fund; or
 - (C) after June 30, 1986, for a retired employee not covered by clause (A) or (B);
 - (2) who will have reached fifty-five (55) years of age on or before the employee’s retirement date but who will not be eligible on that date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq; and
 - (3) who
 - (A) for an employee who retires before January 1, 2007, will have completed
 - (i) twenty (20) years of creditable employment with a public employer on or before the employee’s retirement date, ten (10) years of which shall have been completed immediately preceding the retirement; and
 - (ii) at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee’s retirement date; or
 - (B) for an employee who retires after December 31, 2006, will have completed fifteen (15) years of creditable employment with a public employer on or before the employee’s retirement date, ten (10) years of which shall have been completed immediately preceding retirement.
- (f) The group health insurance program required under subsections (b) through (e) and subsection (k) must be equal to that offered active employees. The retired employee may participate in the group health insurance program if the retired employee pays an amount equal to the employer’s and the employee’s premium for the group health insurance for an active employee and if the retired employee within ninety (90) days after the employee’s retirement date files a written request for insurance coverage with the employer.”
- (k) The state shall provide a group health insurance program to each retired employee:
- (1) who was employed as a teacher in a state institution under:
 - (A) IC 11-10-F;
 - (B) IC 12-24-3;
 - (C) IC 16-33-3;

- (D) IC 16-33-4;
- (E) IC 20-21-2-1; or
- (F) IC 20-22-2-1;
- (2) who is at least fifty-five (55) years of age on or before the employee's retirement date;
- (3) who is not eligible for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.; and
- (4) who:
 - (A) has at least fifteen (15) years of service credit as a participant in the retirement fund of which the employee is a member on or before the employee's retirement date; or
 - (B) completes at least ten (10) years of service credit as a participant in the retirement fund of which the employee is a member immediately before the employee's retirement.

Coverage: A retiree who is eligible for this insurance program may participate at the time of retirement. The eligible retiree who is enrolled in a family plan may choose to continue coverage for the retiree's eligible spouse/dependents or change levels from family to single; however, coverage levels cannot be increased from single to family until open enrollment. Early Retiree Insurance participants have the same open enrollment rights as active employees.

Early Retiree Insurance participants may choose health, dental and/or vision coverage. There is a separate premium set for each plan (see rate sheet). It is important to note that if a retiree chooses not to participate in one or more of the plans at the time of retirement (i.e., health, dental or vision), the coverage will not be available to the retiree again, not even during open enrollment periods. Life insurance coverage is not part of the Early Retiree Insurance program (see Part III).

Continued eligibility: A retiree participating in the Early Retiree Insurance Program may continue insurance coverage under this program until:

- The date the retiree becomes eligible for Medicare coverage as prescribed by 42 USC 1395 et seq.

The spouse of an Early Retiree Insurance participant may continue insurance coverage under this program until:

- The date the retiree or the spouse becomes eligible for Medicare coverage (COBRA will be offered to the spouse/dependent(s) if applicable);
- Two years following the date of the retiree's death; or
- The date the spouse of the deceased retiree remarries.

Required premium: 100% of the combined employer's and employee's premium for an active employee with single or family coverage. This premium is subject to change during open enrollment periods.

II. COBRA

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) requires the State of Indiana to offer covered employees and eligible family members the opportunity for a temporary extension of health coverage at group rates when coverage under the health plan would otherwise end. You and your eligible dependents will receive a COBRA continuation offer for the health, dental and/or vision plans you are enrolled in at the time of resignation/retirement.

18-month eligibility: You may choose continuation coverage for yourself and your eligible dependents for up to 18 months if:

- Your employment is terminated, including retirement, or
- Your work hours are reduced, resulting in a loss of coverage.
- Your dependent(s) may be eligible for an extension (up to 36 months from the original COBRA effective date) if a second qualifying event (death, divorce, etc.) occurs during the initial 18-month period.

Extension: You or your eligible dependents may choose to extend the continuation coverage period for an additional 11 months for a total of 29 months if:

- Social security determines you or your qualified dependent is disabled; and,
- you notify the carrier within 60 days of the determination date; and,
- if Social Security determines you or your qualified dependent were disabled at the time of the qualifying event; or,
- anytime during the first 60 days of COBRA continuation.

36-month eligibility: Your spouse and eligible dependents may choose continuation of coverage for up to 36 months following:

- Your death,
- Divorce (you must provide notification),
- Your eligibility for Medicare while maintaining the COBRA continuation coverage,
- Ceasing to be an eligible dependent child.

Coverage may be discontinued prior to the maximum periods in the following circumstances:

- Premiums are not paid timely;
- You, your spouse or your dependents become covered under another group health plan including Medicare (unless the group health plan contains an exclusion or limitation with respect to any pre-existing condition.).
- The spouse of the deceased former employee remarries or becomes covered under another group health plan.
- You cease to be disabled. You must notify the carrier within 30 days of Social Security's determination that the disability no longer exists. Coverage will terminate 30 days after the Social Security determination date.

Premiums: 102% of the combined employer and employee premium for active employees. Premiums could be raised to 150% of the combined employer/employee premiums upon the extension of 11 months of COBRA (see above: Extension).

III. LIFE INSURANCE

Life insurance is provided by Minnesota Life Insurance Company. When you retire, you may be able to continue your group term life insurance coverage, and pay premiums directly to Minnesota Life. Premiums may be higher than those paid by active employees. If you wish to continue your coverage, you have 31 days from your benefit termination to complete the application.

A summary of plan provisions and the certificate of insurance can be found on the State Personnel website at <http://in.gov/spd/2868.htm>. If you have questions about your options for continuing your group term life insurance coverage, or would like to request continuation forms, please contact Minnesota Life at **1-866-293-6047**.

Forms included:

- Portability Election (http://www.in.gov/spd/files/58547-489_State_of_Indiana_Portability_3-2014.pdf)
- Conversion of Group Life Insurance Enrollment ([http://www.in.gov/spd/files/Conversion - 68525 SPWL - Std 9-2013 no_sec.pdf](http://www.in.gov/spd/files/Conversion_-_68525_SPWL_-_Std_9-2013_no_sec.pdf))

IV. RETIREE LEAVE CONVERSION PROGRAM

The Retiree Leave Conversion Program (RLCP) extends compensation to include accrued but unused and uncompensated vacation leave in excess of the 225 vacation hours as well as sick and/or personal leave upon retirement. Calculation of benefits under this program will be based on leave hours available after the employee's final paycheck has been calculated. The program permits eligible employees to receive a portion of accrued but unused and uncompensated leave.

RLCP allows compensation of accrued but unused vacation in excess of 225 hours plus sick and personal leave up to a maximum of \$5,000.00, if the established criteria are met. The procedure and required criteria are outlined in this material. Please refer to 31 IAC 5 for clarification and as the controlling authority.

Definition and applicability: To qualify for this program, the individual must meet the criteria established for "eligible retiree:"

- has at least 10 years of creditable service with state agencies;

- has accrued but unused and uncompensated vacation, sick or personal leave after the employee's final paycheck has been calculated.

“**Retire**” means terminate state employment at a time when the eligible retiree is *entitled to begin receiving pension benefits from a public pension plan as a consequence of the retiree's state service.

*Please refer to the current handbook on retirement benefits published by the Public Employees' Retirement Fund or the Teachers' Retirement Fund.

“**State agency**” means an authority, board, branch, commission, committee, department, division or other instrumentality of state government, but does not include:

- a state educational institution;
- a state elected official's office; and
- the legislative and judicial branches of state government.

The eligible retiree must retire from a state agency as established by 31 IAC 5. The state will issue the payout within 60 days following the last pay date for the eligible retiree, if the necessary requirements are met. The payout will be calculated by converting unused balances in the order of sick, personal, and then vacation. It is important to note that all monies due to the retiree as a benefit of this program are taxable.

Calculation formula: To determine the amount of benefit for an eligible retiree, the State Personnel Department will utilize the leave valuation established by 31 IAC 5. Keep in mind that the amount of benefit is only for leave amounts in excess of the 225 hours of vacation leave.

The value varies dependent upon the years of creditable service. For leave balances remaining after the 225 hours of vacation leave, calculations are performed as follows:

1. The retiree's regular biweekly salary divided by 75.
2. Multiply the quotient from #1 by the number of hours of remaining sick, personal and vacation leave.
3. Multiply the quotient from #2 by:
 - 20% for an eligible retiree with at least 10 years but less than 15 years of creditable service.
 - 35% for an eligible retiree with at least 15 years but less than 20 years of creditable service.
 - 50% for an eligible retiree with at least 20 years of creditable service.

The maximum amount of benefit allowed by 31 IAC 5-10-4 is \$5,000.00. The determined benefit, up to the maximum allowed (\$5,000.00), will be issued to the retiree.

Death benefits: If an employee dies while employed by a participating state agency, then the benefit will be calculated under this article as if the employee had retired effective the day the employee died.

V. HOW DO I APPLY FOR THESE PROGRAMS?

* **COBRA:** The State Personnel Department generates COBRA offers for employees and/or dependents. Questions on COBRA offers should be directed to the Benefits Hotline at 317-232-1167 within the 317 area code or toll free at 877-248-0007 outside the 317 area code.

* **Early Retiree Insurance:** Packets are generated by the State Personnel Department after the final check has been issued. Terminating employees meeting the qualifications of the Early Retiree Insurance Program are forwarded an application, which must be returned to the State Personnel Department no later than 90 days from the date of retirement. If the packet is not received within two weeks after the final check, please call the Benefits Hotline at 317-232-1167 within the 317 area code or toll free at 877-248-0007 outside the 317 area code.

* **Conversion/Election to Transfer Life Insurance Coverage:**

Conversion/Election to Transfer Life Insurance Coverage: To request continuation forms, please contact Minnesota Life at **1-866-293-6047** or go to <http://www.in.gov/spd/2734.htm> to download the forms.

The completed application must be received by Minnesota Life within 31 days of your benefit termination.

VI. ADDITIONAL COVERAGE

The following information may assist in your search for benefit programs following COBRA or when Medicare eligibility ends your Early Retiree Insurance Program participation:

Indiana Comprehensive Health Insurance Association (ICHIA): For information call 1-800-552-7921.

Retired Indiana Public Employees Association (RIPEA): Members may obtain under age 65 coverage and Medicare supplements. These plans are available for either retiree or spouse if they are members of RIPEA. Premiums for these plans may be deducted from your PERF check. Information may be obtained by calling 1-800-345-9214 or (317) 789-0244.

State Health Insurance Assistance Program (SHIP): SHIP is a free & unbiased counseling program provided by the Indiana Department of Insurance for Medicare beneficiaries in Indiana. To contact a counselor call 1-800-452-4800. For more information visit www.in.gov/idoi/2495.htm.

Social Security Administration/Medicare: For assistance call 1-800-772-1213.

VII. ADDITIONAL RETIREMENT RESOURCES

State of Indiana Retirement Medical Benefits Account Plan: Under this plan eligible retired employees are reimbursed for qualifying medical expenses. For more information visit www.in.gov/sba/2357.htm or contact the Plan Administrator, Key Benefit Administrators at 317-284-7150 or 1-800-558-5553.

Indiana Public Employees Retirement System: For information please visit www.in.gov/inprs or call 1-888-286-3544 toll-free.

Hoosier Start (Deferred Compensation): To speak with a Customer Service Representative please call 317-631-5672 or 877-728-6738. For more information visit www.in.gov/auditor/hoosierstart.

VII. BENEFIT CONTACT INFORMATION

Should you have questions you may contact the Employee Benefit Division at:

State Personnel Department
Benefits Division
Phone: (317) 232-1167
Toll Free: (877) 248-0007
Fax: (317) 232-3011
spdbenefits@spd.in.gov
Benefits website: www.in.gov/spd/benefits

STATE OF INDIANA ~ 2015 MONTHLY PLAN RATES

PLAN	PHONE	COVERAGE	EARLY RETIREES	COBRA
Wellness Consumer Driven Health Plan Anthem Insurance Companies, Inc. State of Indiana Operations Unit PO Box 390 Indianapolis, IN 46206-0390	1-877-814-9709	Single Family Single Family	\$477.27 \$1,300.17 <i>w/non-tobacco incentive:</i> \$401.44 \$1,224.34	\$486.82 \$1,326.18 <i>w/non-tobacco incentive:</i> \$409.47 \$1,248.83
Consumer Driven Health Plan 1 Anthem Insurance Companies, Inc. State of Indiana Operations Unit PO Box 390 Indianapolis, IN 46206-0390	1-877-814-9709	Single Family Single Family	\$513.54 \$1,391.17 <i>w/non-tobacco incentive:</i> \$437.71 \$1,315.34	\$523.81 \$1,419.00 <i>w/non-tobacco incentive:</i> \$446.46 \$1,341.65
Consumer Driven Health Plan 2 Anthem Insurance Companies, Inc. State of Indiana Operations Unit PO Box 390 Indianapolis, IN 46206-0390	1-877-814-9709	Single Family Single Family	\$675.00 \$1,813.02 <i>w/non-tobacco incentive:</i> \$599.17 \$1,737.19	\$688.50 \$1,849.28 <i>w/non-tobacco incentive:</i> \$611.15 \$1,771.93
Traditional PPO Anthem Insurance Companies, Inc. State of Indiana Operations Unit PO Box 390 Indianapolis, IN 46206-0390	1-877-814-9709	Single Family Single Family	\$1,046.93 \$2,804.01 <i>w/non-tobacco incentive:</i> \$971.10 \$2,728.18	\$1,067.87 \$2,860.09 <i>w/non-tobacco incentive:</i> \$990.52 \$2,782.74
Express Scripts (Pharmacy Benefit Manager)	1-877-841-5241			
Delta Dental ~ PO Box 30416 Lansing, MI 48909-7916	1-800-524-0149	Single Family	\$24.31 \$63.96	\$24.80 \$65.24
Anthem Blue View Vision Select Anthem Insurance Companies, Inc. State of Indiana Operations Unit PO Box 390 Indianapolis, IN 46206-0390	1-877-814-9709	Single Family	\$3.55 \$9.01	\$3.62 \$9.19

<p>Anthem NurseLine</p>	<p>1-888-279-5449</p>	<p>NurseLine is available 24 hours a day/7 days a week, anywhere in the country. NurseLine provides an opportunity to call and consult with a nurse before seeking medical attention.</p>
<p>Anthem Employee Assistance Program (EASY)</p>	<p>1-800-223-7723</p>	<p>Telephone counseling, crisis assistance, legal and financial referrals and care resources are available 24 hours a day, 365 days a year. Should you require further assistance, staff can help you locate the appropriate resources in your community.</p>